Sample Milestone Plan

Milestone	Description and Verification Method	Fixed Price	Estimated Due Date
1	Completed Workplan and M&E Verification: Written plan accepted by USAID AOTR	$20,000	Week One
2	TOT for staff and purchase of off-the-shelf fisheries management training course Verification: Invoice and one page training report	$20,000	Month One
3	12 of 25 associations receive business management training Verification: Copy of Field Reports by Trainers and Attendance Lists	$30,000	Month Two
4	Business management training completed for 13 remaining associations and institutional strengthening completed for Fisheries Inc. (includes purchase of hardware/software) Verification: Invoice and Field Reports	$50,000	Month Three
5	Microfinance Training completed for 12 associations and association business planning initiated Verification: Field Reports/attendance lists	$30,000	Month Four
	Microfinance Training completed for 13 additional associations and all business planning activities completed Verification: Summary Report/attendance lists	$25,000	Month Seven
6	Monitoring and mentoring of Associations continues Verification: Summary Monitoring Report	$10,145	Month Ten
7	Closing Workshop Verification: Attendee List and invoices for venue	$5,000	Month Eleven
8	Project Closure including Final Report with M&E data acceptable to USAID AOTR	$10,000	Month Twelve
	Total:	$200,145	

Assumptions: Grantee has few funds of its own. While liquidity is provided, still leave enough at end of project to ensure there is incentive to complete project and report. Most activity takes place during months 1 to 7 as does funding. If Grantee had more of its own resources, could do fewer milestones. Could also do more milestones depending on situation.

2. Questions for group discussion:

(a) In addition to what the Grantee needs to provide for verification of milestone completion, what monitoring is suggested for USAID?

Site visits to some of the training events; dialogue with Ministry of Fisheries

(b) Would you expect this Grantee to have any problems meeting the requirements of the FOG eligibility checklist? Why or why not?

Because they have not had a USAID grant or contract is not a deterrent; receiving contract or grant funding from other sources – Ministry of Fisheries and other donors – indicates some level of due diligence has been performed by others – eligibility checklist has been modified to fit FOG recipients

(c) In budgeting for a FOG, which is the worst case scenario -- to err on the side of the Grantee (providing more funding than absolutely required) or to err on the side of USAID (providing less funding than absolutely required)?

In a fixed obligation grant (or contract) the budget risk falls on the grantee – in a cost-reimbursement grant, the budget risk is with USAID. Therefore, we are already placing the Grantee in a risky situation. Any budgeting risk is better to be taken by USAID.   This is one of the reasons, in the FOG agreement there is a sentence in there which reads "Use any difference between the payment amount and the actual cost to further program objectives."

(d) Why would the Grantee, a for-profit company, be interested in a grant that does not allow profit?

CO's don't want to hear the word profit when it comes to grants. So they may need to close their ears! But what does a company do with its profit if it wants to grow its business?   It reinvests in the business. If you consider the institutional capacity building component available through FOGS, it is a way for a company to invest in itself.   A company may very well consider it a worthwhile activity if the capacity building is in line with the needs of the company. There are additional reasons as well. Businesses sometimes want to keep staff employed rather than lay them off and are willing to accept less or no profit in one activity and make up for it in others. The technical work may be such that it is important to their corporate capabilities in the longer term, especially in the case of local organizations.

2

This reiterates the need to include local businesses in mapping exercises, and in outreach efforts, even if the Mission only has grant mechanisms available locally.